

**COSMO ELECTRONICS CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two version, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Independent Auditors' Review Report Translated from Chinese

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of Cosmo Electronics Corporation and its subsidiaries (the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$189,655 thousand and NT\$500,498 thousand, constituting 4% and 11% of the consolidated total assets, and total liabilities of NT\$33,329 thousand and NT\$18,685 thousand, constituting 1.41% and 0.7% of the consolidated total liabilities as at September 30, 2024 and 2023, respectively, and total comprehensive income (loss) of NT\$96,918 thousand, NT\$(9,094) thousand, NT\$103,126 thousand and NT\$(2,223) thousand, constituting 361%, (35%), (758%) and (7%) of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessarily had the financial statements of certain insignificant consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for Qualified Conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cosmo Electronics Corporation and its subsidiaries as at September 30, 2024, and 2023, and of its consolidated financial performance for the three-month and nine-month periods then ended, and of its consolidated cash flows for the nine-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission.

Emphasis of Matter

As explained in Note 12(4), the Group's syndicated loan will mature on March 25, 2025, resulting in current liabilities amounting to \$1,720,310 as of September 30, 2024, exceeding current assets of \$1,176,533, which may pose a liquidity risk. Management is actively working to improve operating conditions and has outlined the strategies to be adopted in Note 12(4). We have not changed our review conclusion as a result.

Tsai, Yi Tai

Liang, Chan Nyu

For and on behalf of PricewaterhouseCoopers, Taiwan

November 13, 2024

The accompanying consolidated financial statements are not intended to present to financial position and results of operations and cash flow in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two version, the Chinese-language auditors' report and consolidated financial statements shall prevail.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$ 146,007	4	\$ 604,711	14	\$ 748,838	17
1136	Financial assets at amortised cost-current	6(2)	-	-	31,055	1	-	-
1150	Notes receivable, net	6(3)	-	-	3,140	-	992	-
1170	Accounts receivable, net	6(3)	170,691	4	79,178	2	399,092	9
1180	Accounts receivable from related parties, net	7	220,290	5	73,891	1	-	-
1200	Other receivables		7,357	-	5,554	-	4,349	-
1210	Other receivables from related parties	7	12,664	-	13,846	-	16,336	-
1220	Current income tax assets		1,300	-	2,191	-	2,077	-
130X	Inventories	6(4)	535,241	13	554,435	13	609,671	13
1410	Prepayments	7	79,467	2	40,438	1	37,166	1
1479	Other current assets		3,516	-	345	-	467	-
11XX	Total current assets		<u>1,176,533</u>	<u>28</u>	<u>1,408,784</u>	<u>32</u>	<u>1,818,988</u>	<u>40</u>
	Non-current assets							
1535	Financial assets at amortized cost-non current	6(2) and 8	14,271	-	20,401	1	20,653	1
1600	Property, plant and equipment	6(5) and 8	712,321	17	719,938	17	725,114	16
1755	Right-of-use assets	6(6) and 8	185,190	4	171,344	4	154,337	3
1760	Investment property, net	6(7) and 8	1,975,431	46	1,871,983	43	1,710,666	38
1780	Intangible assets	6(8)	10,737	-	11,659	-	12,173	-
1840	Deferred income tax assets	6(23)	79,376	2	79,549	2	53,742	1
1915	Prepayments for equipment		28,351	1	9,814	-	14,775	-
1920	Refundable deposits		696	-	1,885	-	1,952	-
1975	Net defined benefit assets-non current	6(11)	28,027	1	26,550	1	25,584	1
1990	Other non-current assets		29,727	1	16,134	-	18,350	-
15XX	Total non-current assets		<u>3,064,127</u>	<u>72</u>	<u>2,929,257</u>	<u>68</u>	<u>2,737,346</u>	<u>60</u>
1XXX	Total assets		<u>\$ 4,240,660</u>	<u>100</u>	<u>\$ 4,338,041</u>	<u>100</u>	<u>\$ 4,556,334</u>	<u>100</u>

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		Septembere 30, 2023	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6(9)	\$ 366,000	9	\$ 426,000	10	\$ 656,472	14
2110	Short-term bills payable	6(9)	49,962	1	99,884	2	99,825	2
2130	Contract liabilities-current	6(16)	21,794	-	1,018	-	1,952	-
2150	Notes payable		2,515	-	59	-	-	-
2170	Accounts payable		153,829	4	42,970	1	56,321	1
2180	Accounts payable to related parties	7	36,381	1	434	-	477	-
2219	Other payables		73,576	2	69,226	2	73,495	2
2220	Other payables to related parties	7	6,576	-	6,519	-	5,990	-
2230	Current income tax liabilities		154	-	105	-	114	-
2280	Lease liabilities-current		2,298	-	2,770	-	-	-
2320	Long-term liabilities-current portion	6(10) and 7	1,004,615	24	312,646	7	301,616	7
2399	Other current liabilities		2,610	-	3,942	-	3,704	-
21XX	Total current liabilities		<u>1,720,310</u>	<u>41</u>	<u>965,573</u>	<u>22</u>	<u>1,199,966</u>	<u>26</u>
	Non-current liabilities							
2540	Long-term borrowings	6(10) and 7	268,719	6	1,206,851	28	1,240,742	27
2570	Deferred income tax liabilities	6(23)	231,372	5	245,959	6	199,344	5
2580	Lease liabilities-non current		27,876	1	23,142	1	-	-
2640	Net defined benefit liability-non current	6(11)	17,387	-	13,956	-	16,859	-
2655	Stockholders' current account	6(10) and 7	106,000	3	-	-	-	-
2670	Others non-current liabilities		424	-	388	-	523	-
25XX	Total non-current liabilities		<u>651,778</u>	<u>15</u>	<u>1,490,296</u>	<u>35</u>	<u>1,457,468</u>	<u>32</u>
2XXX	Total liabilities		<u>2,372,088</u>	<u>56</u>	<u>2,455,869</u>	<u>57</u>	<u>2,657,434</u>	<u>58</u>

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		Septembere 30, 2023	
			Amount	%	Amount	%	Amount	%
	Equity							
	Share capital	6(12)						
3110	Common stock		\$ 1,714,587	40	\$ 1,714,587	40	\$ 1,714,587	38
	Capital surplus							
3200	Capital surplus	6(13)	143,838	3	143,838	3	143,838	3
	Retained earnings	6(14)						
3310	Legal reserve		22,495	1	19,061	-	19,061	1
3320	Special reserve		171,472	4	140,561	3	140,561	3
3350	Unappropriated retained earnings		(128,489)	(3)	34,345	1	(72,013)	(2)
	Other equity interest	6(15)						
3400	Other equity interest		(55,331)	(1)	(170,220)	(4)	(47,134)	(1)
31XX	Equity attributable to owners of the parent		<u>1,868,572</u>	<u>44</u>	<u>1,882,172</u>	<u>43</u>	<u>1,898,900</u>	<u>42</u>
3XXX	Total equity		<u>1,868,572</u>	<u>44</u>	<u>1,882,172</u>	<u>43</u>	<u>1,898,900</u>	<u>42</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant subsequent events	11						
3X2X	TotalL liabilities and equity		<u>\$ 4,240,660</u>	<u>100</u>	<u>\$ 4,338,041</u>	<u>100</u>	<u>\$ 4,556,334</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings(deficit) per share amounts)

Items	Notes	For the three-month period ended September 30,				For the nine-month period ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(16) and 7	\$ 444,980	100	\$ 445,568	100	\$ 891,647	100	\$ 920,509	100
5000 Operating costs	6(4) and 7	(373,990)	(84)	(373,638)	(84)	(767,830)	(86)	(740,188)	(81)
5900 Gross profit		<u>70,990</u>	<u>16</u>	<u>71,930</u>	<u>16</u>	<u>123,817</u>	<u>14</u>	<u>180,321</u>	<u>19</u>
Operating expenses									
6100 Selling expenses		(24,418)	(5)	(15,262)	(4)	(50,431)	(6)	(39,428)	(4)
6200 General and administrative expenses		(52,459)	(12)	(63,330)	(14)	(154,115)	(17)	(162,899)	(18)
6300 Research and development expenses		(1,286)	-	(721)	-	(3,504)	1	(2,243)	-
6450 Expected credit impairment (loss) gain		(2,853)	(1)	34	-	(3,198)	-	(6,067)	(1)
6000 Total operating expenses		<u>(81,016)</u>	<u>(18)</u>	<u>(79,279)</u>	<u>(18)</u>	<u>(211,248)</u>	<u>(24)</u>	<u>(210,637)</u>	<u>(23)</u>
6900 Operating loss		<u>(10,026)</u>	<u>(2)</u>	<u>(7,349)</u>	<u>(2)</u>	<u>(87,431)</u>	<u>(10)</u>	<u>(30,316)</u>	<u>(4)</u>
Non-operating income and expenses									
7100 Interest income	6(17)	797	-	2,180	-	7,993	1	7,124	1
7010 Other income	6(18)	1,868	1	11,178	3	5,829	1	19,073	2
7020 Other gains and losses	6(19)	(7,211)	(2)	11,450	3	(964)	-	(4,352)	-
7030 Net gain on derecognition of financial assets at amortized cost		(1,304)	-	-	-	(1,304)	-	-	-
7050 Finance costs	6(20)	(20,957)	(5)	(22,090)	(5)	(65,906)	(8)	(60,474)	(7)
7000 Total non-operating income and expenses		<u>(26,807)</u>	<u>(6)</u>	<u>2,718</u>	<u>1</u>	<u>(54,352)</u>	<u>(6)</u>	<u>(38,629)</u>	<u>(4)</u>
7900 Loss before income tax		<u>(36,833)</u>	<u>(8)</u>	<u>(4,631)</u>	<u>(1)</u>	<u>(141,783)</u>	<u>(16)</u>	<u>(68,945)</u>	<u>(8)</u>
7950 Income tax (expense) benefit	6(23)	3,835	1	(14,787)	(3)	13,294	1	(4,388)	-
8200 Loss for the period		<u>(\$ 32,998)</u>	<u>(7)</u>	<u>(\$ 19,418)</u>	<u>(4)</u>	<u>(\$ 128,489)</u>	<u>(15)</u>	<u>(\$ 73,333)</u>	<u>(8)</u>
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations	6(15)	<u>\$ 59,833</u>	<u>13</u>	<u>\$ 45,289</u>	<u>10</u>	<u>\$ 114,889</u>	<u>13</u>	<u>\$ 103,606</u>	<u>11</u>
8300 Other comprehensive income for the period		<u>\$ 59,833</u>	<u>13</u>	<u>\$ 45,289</u>	<u>10</u>	<u>\$ 114,889</u>	<u>13</u>	<u>\$ 103,606</u>	<u>11</u>
8500 Total comprehensive income (loss) for the period		<u>\$ 26,835</u>	<u>6</u>	<u>\$ 25,871</u>	<u>6</u>	<u>(\$ 13,600)</u>	<u>(2)</u>	<u>\$ 30,273</u>	<u>3</u>
Profit attributable to:									
8610 Owners of the parent		<u>(\$ 32,998)</u>	<u>(7)</u>	<u>(\$ 19,418)</u>	<u>(4)</u>	<u>(\$ 128,489)</u>	<u>(15)</u>	<u>(\$ 73,333)</u>	<u>(8)</u>
Comprehensive income (loss) attributable to :									
8710 Owners of the parent		<u>\$ 26,835</u>	<u>6</u>	<u>\$ 25,871</u>	<u>6</u>	<u>(\$ 13,600)</u>	<u>(2)</u>	<u>\$ 30,273</u>	<u>3</u>
Earnings per share									
9750 Basic deficit per share		(\$ 0.19)		(\$ 0.11)		(\$ 0.75)		(\$ 0.43)	
9850 Diluted deficit per share		<u>(\$ 0.19)</u>		<u>(\$ 0.11)</u>		<u>(\$ 0.75)</u>		<u>(\$ 0.43)</u>	

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						
		Retained earnings						
Notes	Share capital common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total equity	
<u>For the nine-month period ended September 30, 2023</u>								
	\$ 1,680,883	\$ 177,242	\$ 6,819	\$ 63,024	\$ 122,417	(\$ 150,740)	\$ 1,899,645	
Balance at January 1, 2023								
Effect of retrospective application and retrospective restatement	-	-	-	-	620	-	620	
Balance at January 1, 2023 as restated	1,680,883	177,242	6,819	63,024	123,037	(150,740)	1,900,265	
Loss for the period	-	-	-	-	(73,333)	-	(73,333)	
Other comprehensive income(loss) for the period	-	-	-	-	-	103,606	103,606	
Total comprehensive income(loss) for the period	6(15) -	-	-	-	(73,333)	103,606	30,273	
Legal reserve	-	-	12,242	-	(12,242)	-	-	
Special reserve	-	-	-	77,537	(77,537)	-	-	
Cash dividends	-	-	-	-	(31,938)	-	(31,938)	
Conversion of convertible bonds	85	215	-	-	-	-	300	
Issuance of share from capital surplus	33,619	(33,619)	-	-	-	-	-	
Balance at September 30, 2023	<u>\$ 1,714,587</u>	<u>\$ 143,838</u>	<u>\$ 19,061</u>	<u>\$ 140,561</u>	<u>(\$ 72,013)</u>	<u>(\$ 47,134)</u>	<u>\$ 1,898,900</u>	
<u>For the nine-month period ended September 30, 2024</u>								
Balance at January 1, 2024	\$ 1,714,587	\$ 143,838	\$ 19,061	\$ 140,561	\$ 34,345	(\$ 170,220)	\$ 1,882,172	
Loss for the period	-	-	-	-	(128,489)	-	(128,489)	
Other comprehensive income for the period	-	-	-	-	-	114,889	114,889	
Total comprehensive income (loss) for the period	6(15) -	-	-	-	(128,489)	114,889	(13,600)	
Legal reserve	-	-	3,434	-	(3,434)	-	-	
Special reserve	-	-	-	30,911	(30,911)	-	-	
Balance at September 30, 2024	<u>\$ 1,714,587</u>	<u>\$ 143,838</u>	<u>\$ 22,495</u>	<u>\$ 171,472</u>	<u>(\$ 128,489)</u>	<u>(\$ 55,331)</u>	<u>\$ 1,868,572</u>	

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		For the nine-month period ended September 30,	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated loss before tax for the period		(\$ 141,783)	(\$ 68,945)
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation expenses	6(5)(6)	84,386	83,696
Amortization expenses	6(8)	1,533	1,547
Expected credit impairment losses	12	3,198	6,067
Interest expense	6(20)	65,906	60,474
Interest income	6(17)	(7,993)	(7,124)
Net gain on derecognition of financial assets at amortized cost	6(19)	(1,304)	-
Write-down of inventories	6(4)	9,624	5,170
Gain (loss) on disposal and scrap of property, plant and equipment	6(19)	(183)	8,058
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		3,141	2,396
Accounts receivable		(94,797)	(122,365)
Accounts receivable from related parties		(146,399)	-
Other receivables		(1,803)	20,713
Other receivables from related parties		1,182	1,296
Inventories		9,570	658
Prepayments		(39,029)	54,849
Net defined benefit assets		(1,477)	(1,345)
Other current assets		(3,171)	1,760
Other non-current assets		(13,556)	5,280
Net changes in liabilities relating to operating activities			
Contract liabilities-current		20,776	(8,285)
Notes payable		2,456	(96)
Accounts payable		110,859	(63,431)
Accounts payable to related parties		35,947	(15,194)
Other payables		13,265	(36,331)
Other payables to related parties		57	2,254
Other current liabilities		(1,332)	(4,912)
Net defined benefit liability		3,431	(4,608)
Cash inflow used in operations		(87,496)	(78,418)
Interest received		7,993	7,124
Income taxes paid		(183)	(4,033)
Net cash flows used in operating activities		(79,686)	(75,327)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at amortized cost		38,489	69,204
Acquisitions of property, plant and equipment	6(5)(25)	(71,224)	(39,994)
Proceeds from disposal of property, plant and equipment	6(5)	-	617
Decrease in refundable deposits		1,189	11,173
Acquisitions of intangible assets	6(8)	(331)	(474)
Acquisitions of right-of-use assets	6(6)	(6,222)	-
Acquisitions and payments for investment properties	6(7)	(21,591)	(18,787)
Decrease in prepayments for equipment		(39,602)	(6,100)
Net cash flows (used in) generated from investing activities		(99,292)	15,639
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	1,024,000	1,462,468
Decrease in short-term borrowings	6(26)	(1,084,000)	(1,201,996)
Increase in short-term bills payable	6(26)	(50,000)	50,000
Repayment for convertible bonds	6(26)	-	(277,100)
Repayment for long-term borrowings	6(26)	(336,117)	(1,623,750)
Proceeds from long-term borrowings	6(26)	77,829	1,886,920
Payment of lease liabilities	6(26)	(2,103)	(11,293)
Interest paid		(66,609)	(60,415)
Increase in stockholders' current account	6(10)(26) and 7	106,000	-
Net cash flows (used in) generated from financing activities		(331,000)	224,834
Effect due to changes in exchange rate		51,274	40,698
Net decrease (increase) in cash and cash equivalents		(458,704)	205,844
Cash and cash equivalents at beginning of period		604,711	542,994
Cash and cash equivalents at end of period		\$ 146,007	\$ 748,838

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Cosmo Electronics Corporation (“The Company”) was established in May 1981. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacture and sales of relays, photocouplers and LEDs, biomass energy and land development business, etc. The Company's shares have been traded on the Taipei Exchange (OTC) since January 15, 2000, and were listed on the Taiwan Stock Exchange (TWSE) on September 17, 2001.

2. The Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on November 13, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed and issued into effect by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments as endorsed and issued into effect by FSC from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16 ‘Leases Liability in a Sale and Leaseback’	January 1, 2024
Amendments to IAS 1 ‘Classification of Liabilities as Current or Non-current’	January 1, 2024
Amendments to IAS 1 ‘Non-current Liabilities with Covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7 ‘Supplier Finance Arrangements’	January 1, 2024

The above standards and interpretations have no significant impact on the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments as endorsed and issued into effect by FSC from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21 'Lack of Exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17 'Initial Application of IFRS 9 and IFRS 17 - Comparative Information'	January 1, 2023
Amendments to IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IFRS Accounting Standards 'Annual Improvements—Volume 11'	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the ‘Regulations Governing the Preparation of Financial Reports by Securities Issuers’ and the International Accounting Standard 34, ‘Interim financial reporting’ as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) are at fair value through profit or loss.
 - (b) Investment property at fair value.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the ‘IFRSs’) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Investment activities	100	100	100	Note 3 and 4
	Cosmo Electronics (HK) Company Limited	Trading of electronic products	100	100	100	Note 3 and 4
	Grand Concept Group Limited	Investment activities	100	100	100	Note 3 and 4
	Grandway International Limited.	Investment activities	100	100	100	Note 3 and 4
	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	14	14	14	Note 1
	Cosmo Green Power Limited (Cosmo Green)	Manufacturing and selling of material of biomass energy	100	100	100	Note 3 and 4
	Cosmo Electronics Samoa	Investment activities	100	100	100	Note 3 and 4
Cosmo Electronics Technology Co., Ltd.	Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	100	100	100	Note 4
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	Selling of LED lighting	100	100	100	Note 3 and 4
Grand Concept Group Limited	True Glory Investments Limited	Investment activities and processing and trading of PCBs	100	100	100	Note 3 and 4
	Real Bonus Limited	Selling of LED lighting	100	100	100	Note 3 and 4
Grandway International Limited	Truly Top Investments Limited	Investment activities	100	100	100	Note 3 and 4
	Renown Boom Limited	Investment activities and processing and selling of routers	100	100	100	Note 3 and 4
True Glory Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	13	13	13	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50	50	50	Note 1, 3 and 4
	PT Cijambe Indah (PT Cijambe)	Land development	95	95	94	Note 1 and 2
	PT Cosmo Electronics Indonesia ("PT Electronics")	Manufacturing and selling of new electronic parts	100	100	100	Note 3 and 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Truly Top Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	73	73	73	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50	50	50	Note 1, 3 and 4
Renown Boom Limited	Dong Guan Guan Zhen Xing Trading Limited	Manufacturing and selling of material of biomass energy	100	100	100	Note 1
Dong Guan Guan Zhen Xing Trading Limited	PT Cijambe Indah (PT Cijambe)	Land development	5	5	6	Note 1 and 2
	Guizhou Guanwang International	Developing, manufacturing and selling of electronic products	-	100	100	Note 3, 4 and 5
	Digicrown Electronic Technology Co., Ltd	Developing, manufacturing and selling of electronic products	100	100	100	Note 4
	Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products				

Note 1: The total Group's investment in this subsidiary is 100%.

Note 2: PT Cijambe has increased its capital on March 16, 2023, September 30, 2023, October 4, 2023, December 18, 2023, February 26, 2024 and May 8, 2024. After the increase in capital, the shareholding percentage of Renown Boom Limited in PT Cijambe has changed since it did not subscribe in proportion to its ownership.

Note 3: The financial statements of the entity as of and for the nine-month period ended September 30, 2024 was not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 4: The financial statements of the entity as of and for the nine-month period ended September 30, 2023 was not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 5: Completed liquidation in August 2024.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of September 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and revolving funds	\$ 3,633	\$ 4,628	\$ 4,721
Checking accounts and demand deposits	142,374	380,681	636,799
Time deposits	-	219,402	107,318
	<u>\$ 146,007</u>	<u>\$ 604,711</u>	<u>\$ 748,838</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits were pledged as collateral for custom duties of the imported materials and restricted bank accounts for reimbursement of bank loan were classified as financial assets at amortized cost. Details are provided in Note 8.

(2) Financial assets at amortized cost

Items	September 30, 2024	December 31, 2023	September 30, 2023
Current items:			
Time deposits	<u>\$ -</u>	<u>\$ 31,055</u>	<u>\$ -</u>
Non-current items:			
Pledged time deposits (Note 8)	\$ 4,445	\$ 4,437	\$ 4,402
Restricted bank accounts	9,826	9,863	9,839
Corporate bonds-CFE	-	6,101	6,412
	<u>\$ 14,271</u>	<u>\$ 20,401</u>	<u>\$ 20,653</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	For the three-month period ended September 30,	
	2024	2023
Interest income	\$ 48	\$ 561
Loss on disposal	(1,304)	-
Total	<u>(\$ 1,256)</u>	<u>\$ 561</u>

	For the nine-month period ended September 30,	
	2024	2023
Interest income	\$ 775	\$ 1,460
Loss of disposal	(1,304)	-
Total	(\$ 529)	\$ 1,460

- B. On November 4, 2021, the Group bought a corporate bond issued by CFE with a coupon rate of 3.875% and a maturity date of July 26, 2033, at a par value of USD 200 thousand. The interest was paid on semi-annual basis. Redeemed early on July 10, 2024, with a disposal loss of \$41.
- C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default will be remote.

(3) Notes and accounts receivable

Items	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ -	\$ 3,140	\$ 992
Accounts receivable	\$ 176,505	\$ 81,860	\$ 409,761
Less: Allowance for uncollectible accounts	(5,814)	(2,682)	(10,669)
	\$ 170,691	\$ 79,178	\$ 399,092

- A. The ageing analysis of accounts receivable and notes receivable are as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 152,717	\$ -	\$ 51,292	\$ 3,140	\$ 375,687	\$ 992
1 to 90 days	18,004	-	23,498	-	23,980	-
91 to 180 days	594	-	4,792	-	-	-
Over 181 days	5,190	-	2,278	-	10,094	-
	\$ 176,505	\$ -	\$ 81,860	\$ 3,140	\$ 409,761	\$ 992

The above ageing analysis was based on past due date.

- B. As of September 30, 2024, December 31, 2023, and September 30, 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$286,170.
- C. As of September 30, 2024, December 31, 2023, and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$176,505, \$85,000 and \$410,753, respectively.
- D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12.

(4) Inventories

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Raw materials	\$ 138,570	\$ 152,963	\$ 181,716
Work in progress	148,563	106,916	122,277
Finished goods	234,642	287,379	303,125
Merchandise	13,466	7,177	2,553
	<u>\$ 535,241</u>	<u>\$ 554,435</u>	<u>\$ 609,671</u>

The costs of inventories were recognized as expenses for the period:

	<u>For the three-month period ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 376,215	\$ 377,226
Gains on reversal of market value	(2,041)	(3,088)
Revenue from sale of scraps	(184)	(500)
	<u>\$ 373,990</u>	<u>\$ 373,638</u>

	<u>For the nine-month period ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 759,157	\$ 735,518
Loss on decline in market value	9,624	5,170
Revenue from sale of scraps	(951)	(500)
	<u>\$ 767,830</u>	<u>\$ 740,188</u>

The Group wrote down and accounted for as addition of the cost of goods sold because market price declined.

(5) Property, plant and equipment

	2024							
	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Unfinished construction	Total
<u>At January 1</u>								
Cost	\$ 191,951	\$ 474,153	\$ 1,174,362	\$ 19,533	\$ 45,077	\$ 245,923	\$ -	\$ 2,150,999
Accumulated depreciation and impairment	-	(244,947)	(941,817)	(14,196)	(37,078)	(193,023)	-	(1,431,061)
	<u>\$ 191,951</u>	<u>\$ 229,206</u>	<u>\$ 232,545</u>	<u>\$ 5,337</u>	<u>\$ 7,999</u>	<u>\$ 52,900</u>	<u>\$ -</u>	<u>\$ 719,938</u>
Opening net book amount as at January 1	\$ 191,951	\$ 229,206	\$ 232,545	\$ 5,337	\$ 7,999	\$ 52,900	\$ -	\$ 719,938
Additions	-	8,599	36,383	96	471	13,263	3,496	62,308
Disposals	-	-	-	-	(4)	-	-	(4)
Depreciation	-	(16,230)	(46,542)	(1,218)	(1,418)	(8,201)	-	(73,609)
Net exchange differences	-	101	4,105	120	240	(878)	-	3,688
Closing net book amount as at September 30	<u>\$ 191,951</u>	<u>\$ 221,676</u>	<u>\$ 226,491</u>	<u>\$ 4,335</u>	<u>\$ 7,288</u>	<u>\$ 57,084</u>	<u>\$ 3,496</u>	<u>\$ 712,321</u>
<u>At September 30</u>								
Cost	\$ 191,951	\$ 488,924	\$ 1,189,026	\$ 20,048	\$ 44,554	\$ 255,471	\$ 3,496	\$ 2,193,470
Accumulated depreciation and impairment	-	(267,248)	(962,535)	(15,713)	(37,266)	(198,387)	-	(1,481,149)
	<u>\$ 191,951</u>	<u>\$ 221,676</u>	<u>\$ 226,491</u>	<u>\$ 4,335</u>	<u>\$ 7,288</u>	<u>\$ 57,084</u>	<u>\$ 3,496</u>	<u>\$ 712,321</u>

2023							
	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Total
<u>At January 1</u>							
Cost	\$ 191,951	\$ 469,550	\$ 1,220,622	\$ 19,373	\$ 42,371	\$ 235,661	\$ 2,179,528
Accumulated depreciation and impairment	-	(223,712)	(961,405)	(13,159)	(35,444)	(188,090)	(1,421,810)
	<u>\$ 191,951</u>	<u>\$ 245,838</u>	<u>\$ 259,217</u>	<u>\$ 6,214</u>	<u>\$ 6,927</u>	<u>\$ 47,571</u>	<u>\$ 757,718</u>
Opening net book amount as at January 1	\$ 191,951	\$ 245,838	\$ 259,217	\$ 6,214	\$ 6,927	\$ 47,571	\$ 757,718
Additions	-	3,211	28,461	416	3,161	932	36,181
Disposals	-	-	(8,636)	-	-	(39)	(8,675)
Depreciation	-	(16,040)	(44,824)	(1,067)	(1,648)	(7,041)	(70,620)
Net exchange differences	-	5,779	3,419	129	231	952	10,510
Closing net book amount as at September 30	<u>\$ 191,951</u>	<u>\$ 238,788</u>	<u>\$ 237,637</u>	<u>\$ 5,692</u>	<u>\$ 8,671</u>	<u>\$ 42,375</u>	<u>\$ 725,114</u>
<u>At September 30</u>							
Cost	\$ 191,951	\$ 487,872	\$ 1,179,079	\$ 20,202	\$ 46,747	\$ 237,560	\$ 2,163,411
Accumulated depreciation and impairment	-	(249,084)	(941,442)	(14,510)	(38,076)	(195,185)	(1,438,297)
	<u>\$ 191,951</u>	<u>\$ 238,788</u>	<u>\$ 237,637</u>	<u>\$ 5,692</u>	<u>\$ 8,671</u>	<u>\$ 42,375</u>	<u>\$ 725,114</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(6) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and structures. Rental contracts are typically made for periods of 2 to 55 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less and low-value assets comprise company dormitories and cars.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 144,993	\$ 143,762	\$ 150,419
Buildings and structures	40,197	27,582	3,918
	<u>\$ 185,190</u>	<u>\$ 171,344</u>	<u>\$ 154,337</u>

	For the three-month period ended September 30,	
	2024	2023
	Depreciation	Depreciation
Land	\$ 1,086	\$ 1,056
Buildings and structures	2,503	2,365
	<u>\$ 3,589</u>	<u>\$ 3,421</u>

	For the nine-month period ended September 30,	
	2024	2023
	Depreciation	Depreciation
Land	\$ 3,232	\$ 3,048
Buildings and structures	7,545	10,028
	<u>\$ 10,777</u>	<u>\$ 13,076</u>

- D. For the nine-month periods ended September 30, 2024 and 2023, the additions to right-of-use assets were \$18,326 and \$0, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

Items affecting profit or loss	For the three-month period ended September 30,	
	2024	2023
Interest expense on lease liabilities	\$ 258	\$ 317
Expense on short-term lease contracts	111	195
Expense on lease of low-value assets	335	265

Items affecting profit or loss	For the nine-month period ended September 30,	
	2024	2023
Interest expense on lease liabilities	\$ 781	\$ 363
Expense on short-term lease contracts	312	749
Expense on lease of low-value assets	1,055	789

F. For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$7,770, \$7,882, \$10,074 and \$13,194, respectively.

(7) Investment property

	2024	2023
At January 1	\$ 1,871,983	\$ 1,615,691
Additions — from subsequent expenditures	21,591	18,787
Net exchange differences	81,857	76,188
At September 30	<u>\$ 1,975,431</u>	<u>\$ 1,710,666</u>

A. Rental income from investment property is shown below:

	For the three-month period ended September 30,	
	2024	2023
Rental income from investment property	<u>\$ 651</u>	<u>\$ 909</u>

	For the nine-month period ended September 30,	
	2024	2023
Rental income from investment property	<u>\$ 1,995</u>	<u>\$ 2,986</u>

- B. Information about the fair value of the investment property is provided in Note 12(3).
- C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.
- D. PT Cosmo Technology, a subsidiary of the Group, signed a land right-of-use transfer contract with PT Cijambe Indah on September 28, 2020. The land is still in the process of transfer registration.
- E. The fair value of the investment property held by the Group was measured on recurring basis. The fair value at December 31, 2023 was based on the valuation carried out on March 1 and March 5, 2024 by the independent qualified professional valuers, Mr. Hsieh, Zong Ting, Certified Real Estate Appraisers in the ROC, from Euro-Asia Real Estate Appraisers Firm and Mr. Chang, Shao Chi and Mr. Hsieh, Kun Lung, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively. The fair value at December 31, 2022 was based on the valuation carried out on February 22 and March 21, 2023 by the independent qualified professional valuers, Mr. Hsieh, Zong Ting, Certified Real Estate Appraisers in the ROC, from Euro-Asia Real Estate Appraisers Firm and Mr. Chung, Shao Yu and Mr. Hsieh, Kun Lung, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively.
- F. The fair value of the investment property held by the Group was valued by independent valuers. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy. Unrealized profits or loss from fair value adjustment on investment property for the three-month and nine-month periods ended September 30, 2024 and 2023 are included in other gains and losses.
- G. The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used are stated as follows.

	December 31	
	2023	2022
Expected future cash inflows	\$ 135,616	\$ 127,788
Expected future cash outflows	5,839	7,107
Expected future cash inflows, net	\$ 129,777	\$ 120,681
Discount rate	2.250%-3.000%	2.100%-3.250%

An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in fair value.

- H. The expected future cash inflows generated by investment properties included rental income and disposal value. The rental income was extrapolated using the Company's current rental rate, while taking into account the annual rental growth rate. The income analysis covers a 10-year period. The disposal value was determined using the direct capitalization method under the income approach and deducted land value increment taxes and agency fee. The expected future cash outflows incurred by investment properties included expenditures such as land value taxes, house taxes, insurance premiums, maintenance costs, replacement and agency fee for investment in invitations. These expenditures were extrapolated on the basis of the current level of expenditure, taking into account future adjustments to the government-announced land value, the tax rate promulgated under the House Tax Act. The market rentals in the area where the investment property is located were between \$260 to \$930 per ping.
- I. As at December 31, 2023 and 2022, the discount rate was determined using the interest rate for 2-year time deposits, as posted by Chunghwa Post Co., Ltd. plus 0.75% and 1-year time deposit, as posted by People's Bank of China, plus any asset-specific risk premiums between (0.1)% to 1.50% and (0.1)% to 1.75%, respectively.
- J. The fair value of undeveloped land located in area Indonesia was measured using a land development analysis. The significant assumptions used were as follows:

	December 31	
	2023	2022
Estimated total sale price	\$ 3,430,106	\$ 3,039,420
Rate of return	13%	13%
Overall capital interest rate	10.49%	10.43%

The total sale price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, while taking into account the related regulations, optimism of domestic macroeconomic prospects, local land use, and market rates.

(8) Intangible assets

	2024		
	Patent	Computer software	Total
<u>At January 1</u>			
Cost	\$ 18,607	\$ 5,461	\$ 24,068
Accumulated amortization and impairment	(9,813)	(2,596)	(12,409)
	<u>\$ 8,794</u>	<u>\$ 2,865</u>	<u>\$ 11,659</u>

	2024		
	Patent	Computer software	Total
Opening net book amount as at at January 1	\$ 8,794	\$ 2,865	\$ 11,659
Addition	-	331	331
Amortization	(740)	(793)	(1,533)
Net exchange differences	280	-	280
Closing net book amount as at September 30	<u>\$ 8,334</u>	<u>\$ 2,403</u>	<u>\$ 10,737</u>
<u>At September 30</u>			
Cost	\$ 19,171	\$ 5,796	\$ 24,967
Accumulated amortization and impairment	(10,837)	(3,393)	(14,230)
	<u>\$ 8,334</u>	<u>\$ 2,403</u>	<u>\$ 10,737</u>
	2023		
	Patent	Computer software	Total
<u>At January 1</u>			
Cost	\$ 18,609	\$ 7,753	\$ 26,362
Accumulated amortization and impairment	(8,869)	(4,711)	(13,580)
	<u>\$ 9,740</u>	<u>\$ 3,042</u>	<u>\$ 12,782</u>
Opening net book amount as at at January 1	\$ 9,740	\$ 3,042	\$ 12,782
Addition	-	474	474
Amortization	(713)	(834)	(1,547)
Net exchange differences	464	-	464
Closing net book amount as at September 30	<u>\$ 9,491</u>	<u>\$ 2,682</u>	<u>\$ 12,173</u>
<u>At September 30</u>			
Cost	\$ 19,543	\$ 5,558	\$ 25,101
Accumulated amortization and impairment	(10,052)	(2,876)	(12,928)
	<u>\$ 9,491</u>	<u>\$ 2,682</u>	<u>\$ 12,173</u>

Details of amortization of intangible assets are as follows:

	For the three-month period ended September 30,	
	2024	2023
Selling expenses	\$ 249	\$ 243
General and administrative expenses	287	261
	<u>\$ 536</u>	<u>\$ 504</u>

	For the nine-month period ended September 30,	
	2024	2023
Selling expenses	\$ 740	\$ 713
General and administrative expenses	793	834
	<u>\$ 1,533</u>	<u>\$ 1,547</u>

(9) Short-term borrowings

Type of borrowings	September 30, 2024	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 257,000	2.38%~2.75%	None
Secured borrowings	109,000	2.38%~2.75%	Property, plant and investment property
	<u>\$ 366,000</u>		
<u>Short-term bills payable</u>			
Commercial paper	\$ 50,000	2.00%	None
Less: Unamortized discounts on bills payable	(38)		
	<u>\$ 49,962</u>		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 333,000	2.21%~2.57%	None
Secured borrowings	93,000	2.25%~2.30%	Property, plant and investment property
	<u>\$ 426,000</u>		

Short-term bills payable

Commercial paper	\$ 100,000	1.61%~2.01%	None
Less: Unamortized discounts on bills payable	(116)		
	<u>\$ 99,884</u>		

Type of borrowings	September 30, 2023	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 547,472	2.21%~2.57%	None
Secured borrowings	109,000	2.25%~2.38%	Property, plant and investment property
	<u>\$ 656,472</u>		

Short-term bills payable

Commercial paper	\$ 100,000	1.61%~2.01%	None
Less: Unamortized discounts on bills payable	(175)		
	<u>\$ 99,825</u>		

As of September 30, 2024, the facility of short-term borrowings of the Group was \$681,000.

The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above unsecured and secured borrowings agreements in their personal names.

(10) Long-term borrowings

Type of borrowings	September 30, 2024	December 31, 2023	September 30, 2023
<u>Long-term bank borrowings</u>			
Revolving unsecured borrowings(i)	\$ 549,350	\$ 831,400	\$ 831,400
Revolving unsecured borrowings(ii)	395,625	383,812	403,375
Secured borrowings-buildings	169,604	156,000	158,250
Other unsecured borrowings	101,280	127,520	127,520
	<u>1,215,859</u>	<u>1,498,732</u>	<u>1,520,545</u>
<u>Loans from related parties</u>			
Fairsky International Limited	-	20,765	21,813
Esteemed Glory Holdings Limited	47,475	-	-
Guan Hong Energy Co., Ltd.	10,000	-	-
Tsai, Nai Chen	80,000	-	-
Song, Min Kui	26,000	-	-
	<u>1,379,334</u>	<u>1,519,497</u>	<u>1,542,358</u>
Less: Current portion	(1,004,615)	(312,646)	(301,616)
Less: Stockholders' current account	(106,000)	-	-
	<u>\$ 268,719</u>	<u>\$ 1,206,851</u>	<u>\$ 1,240,742</u>

A. Revolving unsecured borrowings

- (a) On March 18, 2022, the Company and PT Cosmo entered into a 3-year syndicated loan agreement with the banking syndicate, O-Bank as the lead bank and obtained a credit line in the amount of \$1,326,000, and the credit period was 3 years from the first drawdown date (March 25, 2022).

The conditions of borrowing are as follows:

i. Revolving unsecured borrowings

The borrower was the Company, and the credit line was \$926,000 that could be used revolving during the contract period. The period of each use was 3 months or 6 months, but the maximum limit was 6 months and shall not exceed the expiry date of the credit period. The credit line shall be reduced by 10% from the first drawdown date by 18 months; by 10% by the date of full 24 months; by 20% by the date of full 30 months; by 60% by the date of full 36 months. For each use, the expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be re-negotiated every 3 months. As at

September 30, 2024 and 2023, the interest rate was 3.7979% to 3.8018% and 2.8376% to 3.6690%, respectively.

ii. Revolving unsecured borrowings

The borrower was PT Cosmo, and the credit line was USD 12,500,000 that could be used revolving during the contract period. The period of each use was 3 months or 6 months, but the maximum limit was 6 months and shall not exceed the expiry date of the credit period. Interest would be paid monthly, and the interest rate would be re-negotiated every 3 months. As at September 30, 2024 and 2023, the interest rate was 7.31% and 7.83%, respectively.

(b) The Company promised to maintain the following financial ratios in the annual and semi-annual consolidated financial statements of the Company before all borrowings were repaid during the duration of the syndicated loan which signed on March 18, 2022.

- i. Current ratio (current assets divided by current liabilities) shall not be lower than 100%.
- ii. Tangible net equity shall not be lower than \$1,500,000. Tangible net equity is calculated as shareholders' equity with less intangible assets.

- iii. Net financial debt ratio shall not be higher than 100%. Net financial debt ratio is calculated as financial debt with less cash and cash equivalent divided by tangible net equity. Net financial debt is calculated as the sum of long-term and short-term bank borrowings, short-term bills and domestic and foreign bonds (including convertible bonds).

- iv. The interest coverage ratio shall not be lower than 120% in each first half of the year.

The annual ratios shall not be lower than 150%, 180% and 200% in 2022, 2023 and 2024. The interest coverage ratio is calculated as the ratio of the sum of net profit before tax, finance cost, depreciation and amortization divided by finance cost. The above financial ratios were calculated based on its annual consolidated financial statements audited by independent auditors and semi-annual consolidated financial statements reviewed by independent auditors and reviewed after agreement signed. If it did not meet the above financial ratios, the company shall as soon as possible provide specific improvement plans and related explanations from the date of notification by the management bank. If it did not meet one of the above financial ratios and agreements, only the above financial ratio restrictions were met before next review date, it did not breach of the agreement. The interest coverage ratio was (6%),

which did not meet the above financial ratios. Until the date of declaration which is stated the period breaches the financial promise and all financial promise has been met, the interest would be calculated according to the agreed interest rate plus 0.25% by the balance of outstanding principals.

- (c) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above syndicated loan agreements in their personal names.
- (d) In October 2024, the Company provided shares from PT Cijambe, totaling IDR 184,809,000 thousand, as collateral.

B. Secured borrowings

- (a) On April 8, 2021, the Company entered into a 7-year secured loan agreement with KGI Bank and obtained a credit line in the amount of \$180,000 and could not be used revolving during the contract period. The credit period was 7 years from the first drawdown date (April 8, 2021).
- (b) The expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be re-negotiated every 3 months. As at September 30, 2024 and 2023, the interest rate was 2.5581% and 2.424% to 2.4247%, respectively.
- (c) The Company provided land and buildings as collateral (please refer to Note 8 for pledge details).
- (d) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen, were the sureties of the above loan agreements in their personal names.

C. Other unsecured borrowings

- (a) On July 17, 2023, the Company entered into a 3-year secured loan agreement with Shanghai Commercial & Savings Bank and obtained a credit line in the amount of USD 4,000,000 and could not be used revolving during the contract period. The credit period was 3 years from the first drawdown date (August 28, 2023).
- (b) The expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be negotiated by the fund situation. As at September 30, 2024 and 2023, the interest rate was 5.80% and 6.61%, respectively.

- (c) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above unsecured loan agreements in their personal names.

D. Loans from related parties

- (a) The acquisitions of loans from PT Cijambe since PT Cijambe were included in the Group's consolidated financial statements, which were fully repaid in July 2024. In September 2024, the Company obtained loans from related parties. Related information please refer to Note 7.
- (b) In July 2024, the Company obtained a loan of \$26,000 from its shareholder. The loan carries an annual interest rate of 0%, with the principal repayment due by July 4, 2026. As of September 30, 2024, this loan was expressed in 'Stockholders' current account'.

(11) Pensions

A. Defined benefit pension plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005, and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

PT Cosmo and PT Cosmo Green had a defined benefit pension plan.

- (b) The pension costs under defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2024 and 2023, were \$1,139, \$1,154, \$3,398 and \$3,381, respectively.

- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$0.

B. Defined contribution pension plan

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act (the 'Act'), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Other overseas companies, in accordance with the retirement regulations stipulated by the local government, make provision for endowment insurance or retirement benefits based on the wages of local employees. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2024 and 2023, were \$1,222, \$1,142, \$3,680 and \$3,257, respectively.

(12) Share capital

- A. As of September 30, 2024, the Company's authorized capital was \$2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was \$1,714,587 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. There were 3,000 thousand shares reserved for employee stock options in authorized capital.
- C. The annual stockholders' meeting on June 6, 2014 had resolved to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 7,000 thousand shares, and the amount of the private placement was \$208,600 which the relevant statutory registration procedures have not been completed as of December 31, 2023.
- D. The annual stockholders' meeting on June 15, 2023 had resolved that the capital surplus arising from paid-in capital in excess of par value on issuance of ordinary stocks used in the issuance of 3,361,935 ordinary shares, with par value of \$10 per share, amounting to \$33,619. The shares were issued on October 5, 2023, and the relevant statutory registration procedures have been completed.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of ordinary stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Issuance of ordinary shares	\$ 98,542	\$ 98,542	\$ 98,542
Conversion of bonds	18,701	18,701	18,701
Options expired	25,199	25,199	25,199
Employee share options	1,396	1,396	1,396
	<u>\$ 143,838</u>	<u>\$ 143,838</u>	<u>\$ 143,838</u>

(14) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- D. On June 15, 2023, the stockholders' meeting resolved that the dividend of \$0.19 per ordinary share, amounting to \$31,938 for the distribution of earnings for the year 2022. The record date is September 19, 2023.
- E. On June 26, 2024, the stockholders' meeting resolved that there would be no dividends for the distribution of earnings for the year of 2023.

(15) Other equity items

	Currency translation	
	2024	2023
At January 1	(\$ 170,220)	(\$ 150,740)
Group	114,889	103,606
At September 30	(\$ 55,331)	(\$ 47,134)

(16) Operating revenue

	For the three-month period ended September 30,	
	2024	2023
Revenue from contract with customers		
Operating revenue	\$ 444,980	\$ 445,568

	For the nine-month period ended September 30,	
	2024	2023
Revenue from contract with customers		
Operating revenue	\$ 891,647	\$ 920,509

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major business. The related information is provided in Note 14.

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	\$ 21,794	\$ 1,018	\$ 1,952

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	For the three-month period ended September 30,	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period	\$ -	\$ -

	For the nine-month period ended September 30,	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period	\$ 1,018	\$ 10,237

(17) Interest income

	For the three-month period ended September 30,	
	2024	2023
Bank deposit	\$ 531	\$ 1,462
Financial assets measured at amortized cost	48	561
Other interest income	218	157
	<u>\$ 797</u>	<u>\$ 2,180</u>

	For the nine-month period ended September 30,	
	2024	2023
Bank deposit	\$ 6,274	\$ 5,207
Financial assets measured at amortized cost	775	1,460
Other interest income	944	457
	<u>\$ 7,993</u>	<u>\$ 7,124</u>

(18) Other income

For the three-month period ended September 30,		
	2024	2023
Rent income	\$ 650	\$ 909
Handling charge income	10	8
Other income, others	1,208	10,261
	<u>\$ 1,868</u>	<u>\$ 11,178</u>

For the nine-month period ended September 30,		
	2024	2023
Rent income	\$ 1,994	\$ 2,986
Handling charge income	25	24
Other income, others	3,810	16,063
	<u>\$ 5,829</u>	<u>\$ 19,073</u>

(19) Other gains and losses

For the three-month period ended September 30,		
	2024	2023
Gain (Loss) on disposal of property, plant and equipment	\$ 183	\$ 24
Foreign exchange gains	1,226	12,815
Other losses	(8,620)	(1,389)
	<u>(\$ 7,211)</u>	<u>\$ 11,450</u>

For the nine-month period ended September 30,		
	2024	2023
Gain (Loss) on disposal of property, plant and equipment	\$ 183	(\$ 8,058)
Foreign exchange gains	8,149	16,508
Other losses	(9,296)	(12,802)
	<u>(\$ 964)</u>	<u>(\$ 4,352)</u>

(20) Finance costs

For the three-month period ended September 30,		
	2024	2023
Bank borrowings	\$ 19,845	\$ 21,003
Short-term bills payable	291	451
Lease liabilities	258	317
Financial expenses, others	563	319
	<u>\$ 20,957</u>	<u>\$ 22,090</u>

For the nine-month period ended September 30,		
	2024	2023
Bank borrowings	\$ 62,270	\$ 57,423
Short-term bills payable	1,701	1,291
Lease liabilities	781	363
Convertible bonds payable	-	559
Financial expenses, others	1,154	838
	<u>\$ 65,906</u>	<u>\$ 60,474</u>

(21) Depreciation and amortization

For the three-month period ended September 30,		
	2024	2023
Property, plant and equipment	\$ 24,690	\$ 23,596
Right-of-use assets	3,589	3,421
Other intangible assets	536	504
Operating costs and operating expenses	<u>\$ 28,815</u>	<u>\$ 27,521</u>

For the nine-month period ended September 30,		
	2024	2023
Property, plant and equipment	\$ 73,609	\$ 70,620
Right-of-use assets	10,777	13,076
Other intangible assets	1,533	1,547
Operating costs and operating expenses	<u>\$ 85,919</u>	<u>\$ 85,243</u>

(22) Employee benefit expense

	For the three-month period ended September 30,	
	2024	2023
Wages and salaries	\$ 66,143	\$ 54,595
Labor and health insurance fees	7,263	5,839
Pension		
Defined contribution pension plan	1,222	1,142
Defined benefit pension plan	1,139	1,154
Other personnel expenses	3,195	2,989
	<u>\$ 78,962</u>	<u>\$ 65,719</u>

An analysis of employee benefit expense by
function

Operating costs	\$ 43,770	\$ 25,174
Operating expenses	35,192	40,545
	<u>\$ 78,962</u>	<u>\$ 65,719</u>

	For the nine-month period ended September 30,	
	2024	2023
Wages and salaries	\$ 207,930	\$ 190,040
Labor and health insurance fees	24,891	23,616
Pension		
Defined contribution pension plan	3,680	3,257
Defined benefit pension plan	3,398	3,381
Other personnel expenses	9,656	9,038
	<u>\$ 249,555</u>	<u>\$ 229,332</u>

An analysis of employee benefit expense by
function

Operating costs	\$ 138,748	\$ 123,151
Operating expenses	110,807	106,181
	<u>\$ 249,555</u>	<u>\$ 229,332</u>

- A. According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors and supervisors at rates of 5% to 12% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors.

- B. For the three-month and nine-month periods ended September 30, 2024 and 2023, employees' compensation was both accrued at \$0; while directors' and supervisors' remuneration was both accrued at \$0. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of the years ended 2024 and 2023, respectively.

The employees' compensation and directors' and supervisors' remuneration were accrued based on 5% and 1% of profit situation in the year ended 2023. As of March 9, 2024, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors consisted with accrual amount, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 consolidated financial statements.

- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax (benefit) expense

Components of income tax (benefit) expenses:

	For the three-month period ended September 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	(\$ 373)	\$ 2,016
Total current tax	(\$ 373)	\$ 2,016
Deferred tax:		
Origination and reversal of temporary differences	(3,462)	12,771
Income tax (benefit) expense	(\$ 3,835)	\$ 14,787

For the nine-month period ended September 30,		
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 1,811	\$ 4,251
Total current tax	\$ 1,811	\$ 4,251
Deferred tax:		
Origination and reversal of temporary differences	(15,105)	137
Income tax (benefit) expense	(\$ 13,294)	\$ 4,388

The basis for computing the applicable tax rate is 25% for subsidiaries in China, the basis for computing the applicable tax rate is 22% for subsidiaries in Indonesia, others are the rates applicable in the respective countries where the Group entities operate.

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(24) Earnings per share

For the three-month period ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Deficits per share (in dollars)
<u>Basic and diluted deficits per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 32,998)	171,457	(\$ 0.19)
For the three-month period ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Deficits per share (in dollars)
<u>Basic and diluted deficits per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 19,418)	171,457	(\$ 0.11)

For the nine-month period ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Deficits per share (in dollars)
<u>Basic and diluted deficits per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 128,489)	171,457	(\$ 0.75)

For the nine-month period ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Deficits per share (in dollars)
<u>Basic and diluted deficits per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 73,333)	171,457	(\$ 0.43)

(25) Supplemental cash flow information

Investing activities with partial cash payments:

For the nine-month period ended September 30,			
	2024	2023	
Purchase of property, plant and equipment	\$ 62,308	\$	36,181
Add: Opening balance of payable on equipment	10,165		4,397
Less: Ending balance of payable on equipment	(1,249)	(584)
Cash paid during the year	\$ 71,224	\$	39,994

(26) Changes in liabilities from financing activities

2024							
	Short-term borrowings	Short-term bills payable	Long-term borrowings	Long-term payable to related parties	Lease liabilities	Stockholders' current account	Liabilities from financing activities
At January 1	\$ 426,000	\$ 99,884	\$ 1,498,732	\$ 20,765	\$ 25,912	\$ -	\$ 2,071,293
Changes in cash flow from financing activities	(60,000)	(50,000)	(293,950)	35,662	(2,103)	106,000	(264,391)
Impact of changes in foreign exchange rate	-	-	11,077	1,048	(4,958)	-	7,167
Changes in other non-cash items	-	78	-	-	11,323	-	11,401
At September 30	\$ 366,000	\$ 49,962	\$ 1,215,859	\$ 57,475	\$ 30,174	\$ 106,000	\$ 1,825,470

	2023						
	Short-term borrowings	Short-term bills payable	Long-term borrowings	Long-term payable to related parties	Lease liabilities	Convertible bonds payable	Liabilities from financing activities
At January 1	\$ 396,000	\$ 49,962	\$ 1,237,875	\$ 20,765	\$ 19,862	\$ 276,841	\$ 2,001,305
Changes in cash flow from financing activities	260,472	50,000	263,170	-	(11,293)	(277,100)	285,249
Impact of changes in foreign exchange rate	-	-	19,500	1,048	(2,477)	-	18,071
Changes in other non-cash items	-	(137)	-	-	(6,092)	259	(5,970)
At September 30	<u>\$ 656,472</u>	<u>\$ 99,825</u>	<u>\$ 1,520,545</u>	<u>\$ 21,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,298,655</u>

7. Related Party Transactions

(1) Names and relationships of related parties

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ding Wang Electronics Technology Corporation	Substantive related parties
City Orient Limited	Substantive related parties
Ever Merit Trading Limited	Substantive related parties
Evermerit Technology Electronic Co., Ltd.	Substantive related parties
Tinglin Co.,Ltd.	Substantive related parties
Fairsky International Limited	Substantive related parties
Starlite Creations Inc.	Substantive related parties (Note 1)
Esteemed Glory Holdings Limited	Substantive related parties (Note 2)
Guan Hong Energy Co., Ltd.	Substantive related parties (Note 2)
Hsieh, Shu Chuan	Chairman of the Company
Tsai, Nai Chen	Substantive related parties
Tsai, Chi Hu	Substantive related parties

Note 1: Starlite Creations Inc. became a substantive related party due to having the same management team as the Group.

Note 2: Esteemed Glory Holdings Limited and Guan Hong Energy Co., Ltd. became substantially related to the Group as its management teams have a kinship relationship within the second degree of consanguinity.

(2) Significant transactions and balances with related parties

A. Operating revenue

		For the three-month period ended September 30,	
		2024	2023
Sales of goods:			
Associates			
Starlite Creations Inc.	\$	212,172	\$ -
Ever Merit Trading Limited		-	347
Evermerit Technology Electronic Co., Ltd.		-	1
	\$	212,172	\$ 348

		For the nine-month period ended September 30,	
		2024	2023
Sales of goods:			
Associates			
Starlite Creations Inc.	\$	379,002	\$ -
Ever Merit Trading Limited		133	347
Evermerit Technology Electronic Co., Ltd.		-	33
	\$	379,135	\$ 380

There is no material difference between the transaction price and payment terms for the sale of goods and those of non-related parties.

B. Purchases of goods

		For the three-month period ended September 30,	
		2024	2023
Purchases of raw material:			
Ever Merit Trading Limited	\$	7,098	\$ 2,428
Evermerit Technology Electronic Co., Ltd.		-	235
Ding Wang Electronics Technology Corporation		-	401
	\$	7,098	\$ 3,064

	For the nine-month period ended September 30,	
	2024	2023
Purchases of raw material:		
Ever Merit Trading Limited	\$ 70,034	\$ 34,793
Evermerit Technology Electronic Co., Ltd.	-	19,202
Ding Wang Electronics Technology Corporation	-	5,403
	<u>\$ 70,034</u>	<u>\$ 59,398</u>

Raw material and services are purchased from associates and an entity controlled by key management personnel on normal commercial terms and conditions.

C. Receivables from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable from related parties, net			
Starlite Creations Inc.	\$ 220,290	\$ 73,547	\$ -
Ever Merit Trading Limited	-	344	-
	<u>\$ 220,290</u>	<u>\$ 73,891</u>	<u>\$ -</u>
Other receivables from related parties:			
Evermerit Technology Electronic Co., Ltd.	\$ 12,446	\$ 13,846	\$ 16,336

The receivables from related parties arise mainly from sale transactions and other receivables transactions. Sales transaction payment is due from two months to five months after the date of sales. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable:			
Ever Merit Trading Limited	\$ 36,381	\$ 434	\$ 477
Other payables to related parties:			
Ding Wang Electronics Technology Corporation	\$ 6,576	\$ 6,399	\$ 5,990
Evermerit Technology Electronic Co., Ltd.	-	120	-
	<u>\$ 6,576</u>	<u>\$ 6,519</u>	<u>\$ 5,990</u>
Total	<u>\$ 42,957</u>	<u>\$ 6,953</u>	<u>\$ 6,467</u>

The payables to related parties arise mainly from purchase transactions and are due 2 months after the date of purchase. The payables bear no interest.

E. Prepayments

	September 30, 2024	December 31, 2023	September 30, 2023
Ever Merit Trading Limited	\$ -	\$ 2,706	\$ -
Evermerit Technology Electronic Co., Ltd.	-	-	306
	<u>\$ -</u>	<u>\$ 2,706</u>	<u>\$ 306</u>

F. Receipts in advance

	September 30, 2024	December 31, 2023	September 30, 2023
Starlite Creations Inc.	\$ 5,529	\$ -	\$ -
	<u>\$ 5,529</u>	<u>\$ -</u>	<u>\$ -</u>

G. Loans from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Fairsky International Limited	\$ -	\$ 20,765	\$ 21,813
Esteemed Glory Holdings Limited	47,475	-	-
Guan Hong Energy Co., Ltd.	10,000	-	-
Tsai, Nai Chen	80,000	-	-
	<u>\$ 137,475</u>	<u>\$ 20,765</u>	<u>\$ 21,813</u>

- (a) PT Cijambe began to be included in the Group's consolidated financial statement from October 1, 2019. Since that date, the Company has acquired its loans which were recognized initially as 'related party loans'. The maturity date was October 15, 2022, and the interest rate was 0%. As of October 16, 2022, the maturity date has been extended to October 16, 2025. As of December 31, 2023 and September 30, 2023, the loans were expressed in 'long-term borrowings', respectively.
- (b) The Company obtained loans from Guan Hong Energy Co., Ltd. and Esteemed Glory Holdings Limited on July 10, 2024 and September 25, 2024, respectively. The maturity dates are July 9, 2026 and September 24, 2026, respectively, with an interest rate of 2% for both loans. The loans were expressed in 'long-term borrowings' as of September 30, 2024.
- (c) The Company obtained loans from shareholder Tsai, Nai Chen on September 23, 2024, with a maturity date of September 22, 2026 and an interest rate of 0%. The loans were expressed in 'Stockholders' current account' as of September 30, 2024.

H. Endorsements and guarantees : Please refer to Notes 6 (9) and 6 (10).

(3) Key management compensation

		For the three-month period ended September 30,	
		2024	2023
Short-term employee benefits	\$	2,411	\$ 1,810
Post-employment benefits		75	90
	\$	2,486	\$ 1,900

		For the nine-month period ended September 30,	
		2024	2023
Short-term employee benefits	\$	6,740	\$ 8,267
Post-employment benefits		254	269
	\$	6,994	\$ 8,536

The remuneration of directors and other key management levels is determined by the Remuneration Committee in accordance with individual performance and market trends.

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Asset item	Book value			Purpose
	September 30, 2024	December 31, 2023	September 30, 2023	
Pledged time deposits (shown as financial assets at amortized cost)	\$ 4,445	\$ 4,437	\$ 4,402	Collateral for import duties
Restricted bank accounts (shown as financial assets at amortized cost)	9,826	9,863	9,839	Reimbursement account of bank loan
Land use right (shown as right-of-use asset)	-	94,842	100,515	Credit facility
Property, plant and equipment	337,762	415,647	424,506	Credit facility
Investment property	107,669	92,855	90,588	Credit facility
	<u>\$ 459,702</u>	<u>\$ 617,644</u>	<u>\$ 629,850</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

None.

10. Significant Casualty Loss

None.

11. Significant Events After the Balance Sheet Date

- (1) The Group signed a contract on November 5, 2024, to sell 5 hectares of land in Indonesia (recognized as 'Investment property') for a total price of \$108,800 (USD\$3,400 thousand). An advance payment of \$17,280 was received on the signing date. As of November 13, 2024, the transfer of ownership has not yet been completed.
- (2) On October 18, 2024, because of the requirements of the lead bank for a syndicated loan, the Group provided full collateral by pledging the shares of True Glory Investments Limited, the parent company of Cijambe, which holds investment property. The pledged shares amount to IDR 184,809,000 thousand and the collateralization process has been completed.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The gearing ratios were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Total borrowings	\$ 1,795,296	\$ 2,045,381	\$ 2,298,655
Less: Cash and cash equivalents	146,007	604,711	748,838
Net debt	1,649,289	1,440,670	1,549,817
Total equity	1,868,572	1,882,172	1,898,900
Total capital	\$ 3,517,861	\$ 3,322,842	\$ 3,448,717
Gearing ratio	45.57%	43.36%	44.94%

(2) Financial instruments

A. Financial instruments by category

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 146,007	\$ 604,711	\$ 748,838
Financial assets at amortized cost	30,314	51,456	20,653
Notes receivable	-	3,140	992
Accounts receivable (including related parties)	393,808	153,069	399,092
Other receivables (including related parties)	20,021	19,400	20,685
Refundable deposits	696	1,885	1,952
	<u>\$ 590,846</u>	<u>\$ 833,661</u>	<u>\$ 1,192,212</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 366,000	\$ 426,000	\$ 656,472
Short-term bills payable	49,962	99,884	99,825
Notes payable	2,515	59	-
Accounts payable (including related parties)	190,210	43,404	56,798
Other payables (including related parties)	80,152	75,746	79,485
Long-term borrowings (including current portion , Stockholders' current accounts and related parties)	1,353,290	1,519,497	1,542,358
	<u>\$ 2,042,129</u>	<u>\$ 2,164,590</u>	<u>\$ 2,434,938</u>
Lease liabilities	<u>\$ 30,174</u>	<u>\$ 25,912</u>	<u>\$ -</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the Group treasury under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risks arising from the transactions of the Company and its subsidiaries used in various functional

currencies, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

- ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB, IDR and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2024						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	820	31.65	\$ 25,953	5%	\$ 1,298
USD:RMB		807	7.00	25,542	5%	1,277
USD:IDR		88	15,216.35	2,785	5%	139
USD:VND		258	24,921.26	8,166	5%	408
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$	191	31.65	\$ 6,045	5%	\$ 302
USD:RMB		54	7.00	1,709	5%	85
USD:IDR		2	15,216.35	63	5%	3
December 31, 2023						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	2,289	30.71	\$ 70,284	5%	\$ 3,514
USD:RMB		649	7.10	19,928	5%	996
USD:IDR		280	15,507.58	8,597	5%	430
USD:VND		262	24,564.00	8,045	5%	402
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$	75	30.71	\$ 2,303	5%	\$ 115
USD:RMB		352	7.10	10,808	5%	540
USD:IDR		2	15,507.58	61	5%	3

September 30, 2023

September 30, 2023								
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis				
				Degree of variation	Effect on profit or loss			
<u>Financial assets</u>								
<u>Monetary items</u>								
USD:NTD	\$	2,966	32.27	\$	95,713	5%	\$	4,786
USD:RMB		1,510	7.31		48,728	5%		2,436
USD:IDR		10	15,514.42		323	5%		16
USD:VND		261	24,633.59		8,422	5%		421
<u>Financial liabilities</u>								
<u>Monetary items</u>								
USD:NTD	\$	406	32.27	\$	13,102	5%	\$	655
USD:RMB		168	7.31		5,421	5%		271
USD:IDR		2	15,514.42		65	5%		3

- iii. Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month periods ended September 30, 2024 and 2023 amounted to \$1,226, \$12,815, \$8,149 and \$16,508, respectively.

Cash flow and fair value Interest rate risk

- i. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
 - ii. As at September 30, 2024, December 31, 2023 and September 30, 2023, if the interest rate increases or decreases by 50 basis point, with all other variables held constant, profit, net of tax would have decreased or increased by \$8,970, \$10,227 and \$11,493, respectively. The main factor is that changes in interest expense result from floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full accounts receivable, notes receivable and financial assets at amortized cost, which based on the agreed terms, and the contract cash flows of instruments stated at amortized cost.

- ii. The Group for banks and financial institutions, only well rated parties are accepted.
According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group assume if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation, the Group will directly write off the relevant accounts receivable, but will continue to pursue activities to recover the recovered amount are recognized in profit or loss.
- iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i.) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties.
 - (ii.) The disappearance of an active market for that financial asset because of financial difficulties.
 - (iii.) Default or delinquency in interest or principal repayments.
 - (iv.) Adverse changes in national or regional economic conditions are expected to cause a default.
- v. The Group classifies customer's accounts receivable in accordance with geographic area, product types and credit rating of customer. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.

- vi. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On September 30, 2024, December 31, 2023 and September 30, 2023, the provision matrix and loss rate methodology are as follows:

	Not past due	1-90 days past due	90-180 days past due	Over 180 days past due	Total
<u>September 30, 2024</u>					
Expected loss rate	0.26%	1.16%	3.03%	100.00%	
Total book value	\$ 152,717	\$ 18,004	\$ 594	\$ 5,190	\$ 176,505
Loss allowance	(\$ 397)	(\$ 209)	(\$ 18)	(\$ 5,190)	(\$ 5,814)
<u>December 31, 2023</u>					
Expected loss rate	0.11%	0.86%	3.07%	100.00%	
Total book value	\$ 51,292	\$ 23,498	\$ 4,792	\$ 2,278	\$ 81,860
Loss allowance	(\$ 56)	(\$ 201)	(\$ 147)	(\$ 2,278)	(\$ 2,682)
<u>September 30, 2023</u>					
Expected loss rate	0.02%	2.11%	0.00%	100.00%	
Total book value	\$ 375,687	\$ 23,980	\$ -	\$ 10,094	\$ 409,761
Loss allowance	(\$ 68)	(\$ 507)	\$ -	(\$ 10,094)	(\$ 10,669)

- vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	Accounts receivable	
	2024	2023
At January 1	\$ 2,682	\$ 11,205
Impairment loss	3,198	6,067
Reversal of impairment loss	(151)	(6,591)
Effect of foreign exchange	85	(12)
At September 30	<u>\$ 5,814</u>	<u>\$ 10,669</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Excluding syndicated loan agreements, the Group's non-derivative financial liabilities due within one year are sufficiently covered by the Group's operating funds. Before the syndicated loan agreements expire, it is anticipated that new syndicated loan agreements will be signed to ensure that the Group has adequate funds to meet its operational requirements. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	1 and 5 years	Over 5 years
September 30, 2024			
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 370,805	\$ -	\$ -
Short-term bills payable	50,000	-	-
Notes payable	2,515	-	-
Accounts payable (including related parties)	190,210	-	-
Other payables (including related parties)	80,152	-	-
Lease liabilities	10,578	13,823	11,014
Long-term borrowings (including current portion, stockholders' current account and related parties)	1,011,033	329,302	-
December 31, 2023			
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 427,761	\$ -	\$ -
Short-term bills payable	100,000	-	-
Notes payable	59	-	-
Accounts payable (including related parties)	43,404	-	-
Other payables (including related parties)	75,746	-	-
Lease liabilities	3,782	13,592	13,141
Long-term borrowings (including current portion and related parties)	321,018	1,429,438	172,239

	Less than 1 year	1 and 5 years	Over 5 years
September 30, 2023			
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 66,145	\$ -	-
Short-term bills payable	100,000	-	-
Accounts payable (including related parties)	56,798	-	-
Other payables (including related parties)	79,485	-	-
Long-term borrowings (including current portion and related parties)	305,978	1,171,065	175,686

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in investment property is included in Level 3.

- B. Financial instruments not measured at fair value

- (a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortized cost, short-term borrowings, notes payable, accounts payable, other payables, long-term notes payable and long-term borrowings are approximate to their fair values.

<u>September 30, 2024</u>	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Financial assets at				
amortized cost				
Corporate bonds	\$ -	\$ -	\$ -	\$ -

<u>December 31, 2023</u>	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Financial assets at				
amortized cost				
Corporate bonds	\$ 6,102	\$ -	\$ 6,102	\$ -

<u>September 30, 2023</u>	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Financial assets at				
amortized cost				
Corporate bonds	\$ 6,412	\$ -	\$ 6,412	\$ -

(b) The methods and assumptions of fair value estimate are as follows:

- i. Corporate bonds: They are measured at present value, which is calculated based on the cash flow expected to be received from the objective asset and discounted using a market rate prevailing at balance sheet date.
- ii. Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

- C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Investment property	\$ -	\$ -	\$ 1,975,431	\$ 1,975,431

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Investment property	\$ -	\$ -	\$ 1,871,983	\$ 1,871,983

<u>September 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Investment property	\$ -	\$ -	\$ 1,710,666	\$ 1,710,666

- D. For the nine-month periods ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the nine-month periods ended September 30, 2024 and 2023:

	<u>Investment property</u>	
	<u>2024</u>	<u>2023</u>
At January 1	\$ 1,871,983	\$ 1,615,691
Additions— from subsequent expenditures	21,591	18,787
Effect of exchange rate changes	81,857	76,188
At September 30	<u>\$ 1,975,431</u>	<u>\$ 1,710,666</u>

- F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	\$ 1,975,431	Discounted cash flow method	Discount rate	2.25% ~3.00%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	13%	The higher rate of return, the higher the fair value
			Overall capital interest rate	10.49%	The higher overall capital interest rate, the lower the fair value
	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	\$ 1,871,983	Discounted cash flow method	Discount rate	2.25% ~3.00%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	13%	The higher rate of return, the higher the fair value
			Overall capital interest rate	10.49%	The higher overall capital interest rate, the lower the fair value
	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	\$ 1,710,666	Discounted cash flow method	Discount rate	2.1% ~3.25%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	13%	The higher rate of return, the higher the fair value
			Overall capital interest rate	10.43%	The higher overall capital interest rate, the lower the fair value

(4) Sound Financial Plan

The syndicated loan agreement between the Group and the banking syndicate is set to expire in March 2025, resulting in the Group's current liabilities of \$1,720,310 as of September 30, 2024, exceeding the current assets of \$1,176,533, which may potentially lead to liquidity risks. However, the Group's management is committed to improving operational performance and has implemented the following measures. The Group's management assessed that these actions can ensure the Group's continued operations and gradual improvement in its financial condition:

A. Operational plan

(a) Business Development

The Group continues to engage in negotiations with domestic and international manufacturers for OEM (original equipment manufacturing) business, increases agency authorizations to expand existing market channels, and has signed agency authorization agreements with multiple manufacturers.

(b) Cost Control

The Group continues to control costs and expenses and has relocated part of the production lines to Indonesia since September 2024. It is anticipated to commence full-process trial production in November 2024. By selecting more cost-effective suppliers of chips, materials, and packaging, and taking advantage of the lower labor and electricity costs in Indonesia, a reduction in production costs is anticipated.

(c) Asset Activation

To activate the Group's assets, PT Cijambe in Indonesia completed the signing of a sales agreement for 5 hectares of land on November 5, 2024. For further details, please refer to Note 11.

B. Financing Plan

- (a) The Group assesses that the likelihood of renewing the syndicated loan agreement is high and has initiated negotiations with the lead bank of the syndicated loan for the loan renewal process. In compliance with the lead bank's requirements, the Group has provided full collateral by pledging the shares of True Glory Investments Limited, the parent company of PT Cijambe, which holds investment properties, amounting to IDR 184,809,000 thousand. The pledge procedure was completed on October 18, 2024. The total value of the aforementioned investment properties is \$1,363,270, per the appraisal reports issued on March 1 and March 5, 2024, which is higher than the expected renewal amount of the

syndicated loan. With the above operational plans in place, the Group expects that the banking syndicate will support and agree to the renewal.

(b) As of September 26, 2024, the Group obtained a loan limit totaling \$210,000 from Sunny Bank Ltd., of which \$60,000 is available for immediate withdrawal.

(c) The Group has obtained the commitment letters from major shareholders Tsai, Chi Hu, Tsai, Nai Chen, and Hsieh, Shu Chuan. They have committed to financially supporting the Group's operational activities and the funds required for obligatory repayment within the next year.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's corporate composition, the basis for segment determined and the basis for measurement of segment information have no significant change during the current year.

The reportable operating segments are as follows:

- A. Optoelectronics parts
- B. LED lighting
- C. Energy & Materials
- D. Others
- E. Industrial Park Development

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the nine-month period ended September 30,			
	Segment revenue		Segment income (loss)	
	2024	2023	2024	2023
Optoelectronic parts	\$ 369,749	\$ 320,326	(\$ 14,104)	\$ 9,708
LED lighting	485,258	543,535	(11,783)	11,362
Energy & Materials	36,640	35,134	6,589	140
Others	-	21,514	(3)	1,706
Industrial Park Development	-	-	(10,176)	(6,118)
Total from continuing operations	<u>\$ 891,647</u>	<u>\$ 920,509</u>	<u>(\$ 29,477)</u>	<u>\$ 16,798</u>
Headquarters management costs			(57,954)	(47,114)
Other income			13,822	26,197
Other gains and losses			(964)	(4,352)
Finance costs			(65,906)	(60,474)
Net loss on derecognition of financial assets at amortized cost			(1,304)	-
Net loss before income tax			<u>(\$ 141,783)</u>	<u>(\$ 68,945)</u>

(3) Reconciliation for segment income (loss)

The revenue and net profit before tax from external customers and segment income (loss) provided to the chief operating decision-maker is measured in a manner consistent with financial statements.

COSMO ELECTRONICS CORPORATION
Loans to others
For the nine-month period ended September 30, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of ransactions with borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote	
					the nine-month period ended September 30, 2024								September 30, 2024	Item				Value
1	Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd	Evermerit Technology Electronic Co., Ltd.	Other receivables from related parties	Y	\$ 16,735	\$ -	\$ -	0.00%	Shortterm financing	\$ -	Operations	\$ -	-	\$ -	\$ -	\$ -	\$ -	Note 2
2	Dong Guan Guan Zhen Xing Trading Limited	Evermerit Technology Electronic Co., Ltd.	Other receivables from related parties	Y	12,664	12,664	12,664	0.00%	Shortterm financing	-	Operations	-	-	-	-	69,832	69,832	Note 2
2	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Other receivables from related parties	Y	99,506	99,506	84,083	0.00%	Shortterm financing	-	Operations	-	-	-	-	349,158	349,158	Note 2
3	Real Bonus Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	77,068	77,068	68,206	0.00%	Shortterm financing	-	Operations	-	-	-	-	151,010	151,010	Note 2
4	PT Cosmo Green Technology	PT Cijambe Indah	Other receivables from related parties	Y	10,400	10,400	10,400	3.00%	Shortterm financing	-	Operations	-	-	-	-	214,729	214,729	Note 2
4	PT Cosmo Green Technology	PT Cosmo Technology	Other receivables from related parties	Y	46,800	46,800	46,800	3.00%	Shortterm financing	-	Operations	-	-	-	-	214,729	214,729	Note 2
5	Renown Boom Limited	PT Cijambe Indah	Other receivables from related parties	Y	20,579	20,579	20,579	0.00%	Shortterm financing	-	Operations	-	-	-	-	373,714	526,945	Note 2
6	Cosmo Electronics (HK) Company Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	30,068	30,068	21,839	0.00%	Shortterm financing	-	Operations	-	-	-	-	294,976	294,976	Note 2
7	True Glory Investments	Cosmo Electronics Corporation	Other receivables from related	Y	6,014	6,014	6,014	0.00%	Shortterm financing	-	Operations	-	-	-	-	373,714	747,428	Note 2

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Limit on total loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is 200% of the lender's net assets based on the latest audited or reviewed financial statements, and limit on loans to each entity is 200% of the lender's net assets based on the latest audited or reviewed financial statements. However, in accordance with the Operational Procedures for Loans to Others of the Company, the total loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares must not exceed 40% of the lender's net assets based on the latest audited or reviewed financial statements, and the loans to each entity for financing must not exceed 20% of the lender's net assets based on the latest audited or reviewed financial statements. Therefore, limit on loan is the smaller one of above conditions.

COSMO ELECTRONICS CORPORATION
Provision of endorsements and guarantees to others
For the nine-month period ended September 30, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2024	Outstanding endorsement/ guarantee amount as of September 30, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor (Note 2)											
0	Cosmo Electronics Corporation	PT Cosmo Technology	(2)	\$ 747,428	\$ 400,000	\$ 400,000	400,000	0	21.41%	\$ 934,285	Y	N	N	Note 3
0	Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	(2)	747,428	94,950	94,950	-	0	5.08%	934,285	Y	N	N	Note 3
1	PT Cosmo Technology	Cosmo Electronics Corporation	(3)	1,868,572	926,000	926,000	549,350	0	49.56%	1,868,572	N	Y	N	Note 4
2	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics Technology (KunShan) Co., Ltd.	(1)	1,868,572	14,814	14,814	14,814	14,814	0.79%	1,868,572	N	N	Y	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follow:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on total endorsements is 50% of the Company's net assets, and limit on endorsements to a single party is 40% of the Company's net assets.

Note 4: When endorser is the Company, limit on total endorsements is 100% of the Company's net assets, and limit on endorsements to a single party is 100% of the Company's net assets.

COSMO ELECTRONICS CORPORATION

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	Sales	(\$ 334,933)	100.00%	According to the terms agreed by both parties	\$ -	-	\$ 158,481	100.00%	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	Sales	(290,713)	100.00%	According to the terms agreed by both parties	-	-	48,286	100.00%	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	Sales	(350,556)	67.44%	According to the terms agreed by both parties	-	-	220,290	70.96%	

Note : These transactions were eliminated in the preparation of consolidated financial statements.

COSMO ELECTRONICS CORPORATION
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	\$ 158,481	376.66%	\$ -		\$ 43,694	\$ -
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	220,290	265.09%	-		-	-

Table 4

COSMO ELECTRONICS CORPORATION
Significant inter-company transactions during the reporting periods
For the nine-month period ended September 30, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
(Note 1)			(Note 2)	General ledger account	Amount	Transaction terms	
0	Cosmo Electronics Corporation	Dongguan Guanwang Electronic Technology Co., Ltd.	(1)	Sales	\$ 65,740	-	7.37%
0	Cosmo Electronics Corporation	Cosmo Electronics Technology (KunShan) Co., Ltd.	(1)	Sales	52,256	-	5.86%
0	Cosmo Electronics Corporation	PT Cosmo Technology	(1)	Sales	40,564	-	4.55%
1	Cosmo Electronics Technology (KunShan) Co., Ltd.	Cosmo Electronics Corporation	(2)	Process revenue	27,905	According to the terms agreed by both parties	3.13%
2	PT Cosmo Technology	Cosmo Electronics Corporation	(2)	Sales	27,477	-	3.08%
2	PT Cosmo Technology	Real Bonus Limited	(3)	Sales	95,754	-	10.74%
2	PT Cosmo Technology	Cosmo Electronics Technology (KunShan) Co., Ltd.	(3)	Sales	32,912	-	3.69%
2	PT Cosmo Technology	Cosmo Lighting Inc.	(3)	Sales	13,120	-	1.47%
3	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	(3)	Accounts receivable	158,481	Irregularly payment	3.73%
3	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	(3)	Sales	334,933	-	37.56%
4	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	(3)	Accounts receivable	48,286	-	1.14%
4	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	(3)	Sales	290,731	-	32.61%
4	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	(3)	Other receivable	84,083	Loan	1.98%
5	PT. Cijabme Indah	PT Cosmo Technology	(3)	Other unearned revenue	79,418	-	1.87%
6	Real Bonus Limited	Cosmo Electronics Corporation	(2)	Other receivable	68,206	Loan	1.61%
7	PT Cosmo Green Technology	PT Cosmo Technology	(3)	Other receivable	46,800	Loan	1.10%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

COSMO ELECTRONICS CORPORATION

The related information on investees are as follows (not including investees in Mainland China)

For the nine-month period ended September 30, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine-month period ended September 30, 2024	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024	Footnote
				Balance as at September 30, 2024	Balance as at December 31, 2023	Ownership					
				\$	\$	Number of shares	(%)	Book value			
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Samoa Islands	Investment activities	\$ 193,912	\$ 193,912	5,500,038	100%	\$ 167,428	(\$ 32,340)	(\$ 32,340)	
Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	Hong Kong	Trading of electronic products	269,412	269,412	63,180,000	100%	147,488	(2,099)	(2,099)	
Cosmo Electronics Corporation	Grand Concept Group Limited	Samoa Islands	Investment activities	327,230	298,438	10,750,000	100%	1,502,277	6,462	6,462	
Cosmo Electronics Corporation	Grandway International Limited	Samoa Islands	Investment activities	941,532	941,532	30,080,000	100%	806,500	(40,372)	(40,372)	
Cosmo Electronics Corporation	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,075	87,075	3,000,000	14%	94,512	(49,673)	(7,063)	Note 1
Cosmo Electronics Corporation	Cosmo Green Power Limited	Vietnam	Manufacturing and selling of material of	31,760	31,760	-	100%	9,669	-	-	Note 2
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Mauritius Islands	Investment activities	193,912	193,912	5,500,038	100%	169,399	(32,340)	(32,340)	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	U.S.A	Selling of LED lighting	49,046	49,046	1,620,000	100%	28,695	(4,024)	(4,024)	
Grand Concept Group Limited	True Glory Investments Limited	Samoa Islands	Investment activities and processing and trading of PCBs	327,230	298,438	10,750,000	100%	1,426,798	(14,581)	(14,581)	
Grand Concept Group Limited	Real Bonus Limited	Samoa Islands	Selling of LED lighting	-	-	-	100%	75,505	21,043	21,043	Note 2
Grandway International Limited	Truly Top Investments Limited	Samoa Islands	Investment activities	538,516	538,516	16,850,000	100%	537,807	(32,681)	(32,681)	
Grandway International Limited	Renown Boom Limited	Samoa Islands	Investment activities and processing and selling of routers	402,983	402,983	13,230,000	100%	263,472	(7,691)	(7,691)	
True Glory Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,514	87,514	2,750,000	13%	86,733	(49,673)	(6,474)	Note 1
True Glory Investments Limited	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of	44,603	44,603	15,000	50%	53,683	6,911	3,456	Note 1
True Glory Investments Limited	PT Cijambe Indah	Indonesia	Land development	409,852	381,060	130,546	95%	1,275,246	(10,893)	(10,313)	Note 1
True Glory Investments Limited	PT Cosmo Electronics Indonesia	Indonesia	Manufacturing and selling of new electronic	317	317	10,000	100%	191	(21)	(21)	

COSMO ELECTRONICS CORPORATION

The related information on investees are as follows (not including investees in Mainland China)

For the nine-month period ended September 30, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine-month period ended September 30, 2024	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024	Footnote
				Balance as at	Balance as at	Number of shares	Ownership	Book value			
				September 30, 2024	December 31, 2023						
Truly Top Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	\$ 493,651	\$ 493,651	15,350,000	73%	\$ 484,125	(\$ 49,673)	(\$ 36,137)	Note 1
Truly Top Investments Limited	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of	44,865	44,865	15,000	50%	53,683	6,911	3,456	Note 1
Renown Boom Limited	PT Cijambe Indah	Indonesia	Land development	266,944	266,944	6,579	5%	71,676	(10,893)	(580)	Note 1

Note 1: The difference between the profit and loss of the investee company and the investment income and loss recognized by the Company is the investment income and loss recognized according to the ownership ratio of the current period.

Note 2: It is limited company.

COSMO ELECTRONICS CORPORATION
Information on investments in Mainland China
For the nine-month period ended September 30, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine-month period ended September 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China	Net income (loss) of investee for the nine-month period ended September 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024 (Note 2)	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of 2024	Footnote
				as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	as of September 30, 2024			ended September 30, 2024			
Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic	\$ 193,912	1	\$ 193,912	\$ -	\$ -	\$ 193,912	(\$ 32,340)	100%	(\$ 32,340)	\$ 169,396	\$ 8,158	
Dong Guan Guan Zhen Xing Trading Limited	Selling of LED lighting	187,563	2	85,367	-	-	85,367	(7,734)	100%	(7,734)	174,579	-	
Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	-	2	-	-	-	-	(6,189)	0%	(6,189)	-	-	Note 3
Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	106,409	2	-	-	-	-	(13,136)	100%	(13,136)	(28,918)	-	
				Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)							
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024												
Cosmo Electronics Corporation	\$	279,279	\$	363,975	\$		1,121,143						

Note 1: Investment methods are classified into the following two categories:

(1)Through investing and establishment in Cosmo Electronics Co., Ltd.(Samoa) and Cosmo Electronics Technology Co., Ltd.(Mauritius) in the third area, which then invested in the investee in Mainland China.

(2)Through investing in an existing company, Renown Boom Limited, in the third area, which then invested in the investee in Mainland China.

Note 2: The company recognised investment income / loss based on the audited financial statements.

Note 3: Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd was liquidated in August, 2024.

Note 4: Investment amount approved by the Investment Commission of the Ministry of Economic Affairs was US\$11,500 thousand.

Note 5: It was calculated by the limit of the combined net assets in accordance with Order No. MOEA-09704604680.

COSMO ELECTRONICS CORPORATION

Major shareholders information

For the nine-month period ended September 30, 2024

Table 8

Name of major shareholders	Shares	
	No. of shares held	Ownership (%)
Digicrown Technologies Ltd.	15,914,684	9.28%
Da Liang Investment Ltd.	14,427,304	8.41%
Wei Jia Investment Co., Ltd.	14,356,481	8.37%
Hung Yi Investment Ltd.	13,957,367	8.17%
Tsan Hua Investment Co., Ltd.	13,266,627	7.74%
Kuan Che Investment Ltd.	12,936,160	7.54%
Tai Sung Investment Co., Ltd.	12,398,760	7.23%
Kuan Chia Investment Ltd.	12,285,057	7.17%
Flyachieve Limited.	11,223,833	6.55%